

# Emergency Solutions Grants (ESG) FY 2019-20 Application Information Packet

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July 16, 2019

North Carolina Department of Health and Human Services Division of Aging and Adult Services

**Please note that funding of applications submitted in response to this Request for Applications is contingent upon the State receiving funds from the US Dept. of Housing and Urban Development (HUD).**

**Applications must be received, not postmarked by the ESG Office no later than Friday October 11, 2019 at 5pm**

## RFA Instructional Session and Q&A

Tuesday August 13, 2019, 10am-2pm:  
Buncombe County Administration Bldg.  
1st Floor Conf Rm  
200 College St  
Asheville, NC 38801

Registration Link: <https://attendee.gotowebinar.com/register/3045426606909231885>

Wednesday August 14, 2019, 10am-2pm:  
Impact Alamance  
133 E. Davis Street  
Burlington, NC 27215

Registration Link: <https://attendee.gotowebinar.com/register/5990933595326033677>

Thursday August 15, 2019, 10am-2pm:  
Trillium Health Resources  
201 W 1st  
Greenville, NC 27858

Registration Link: <https://attendee.gotowebinar.com/register/26077517083130637>

**All program and application information is subject to change should additional guidance be provided by HUD.**



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**  
Division of Aging and  
Adult Services



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**CoCs/LPAs are expected to closely review information provided in each project application. Deficient project applications prolong the review process for the ESG Office, which results in delayed funding announcements, lost funding for CoCs, LPAs, projects, and delays in funds to house and assist individuals and families experiencing homelessness.**

## **Section I. General Information**

### **Purpose**

The program is designed as a first step in the continuum of assistance to prevent homelessness and to enable the homeless population to move steadily toward independent living. The North Carolina Department of Health and Human Services (DHHS), Division of Aging and Adult Services (DAAS) is responsible for administering North Carolina's Statewide annual allocation of funds, herein referred to as NC ESG, from the United States Department of Housing and Urban Development (HUD).

NC ESG funds are intended to be used as part of a crisis response system using a low barrier, housing-focused approach to ensure that homelessness is rare, brief, and one time. Activities can include:

- Engaging homeless individuals and families living on the street;
- Improving the number and quality of emergency shelters for homeless individuals and families;
- Helping operate emergency shelters;
- Providing essential services to emergency shelter residents,
- Rapidly rehouse homeless individuals and families, and
- Preventing families and individuals from becoming homeless.

The North Carolina Department of Health and Human Services (DHHS) will administer North Carolina's non-entitlement ESG fund. This application corresponds to federal fiscal year 2019-2020 funds.

The ESG program is intended to assist people in preventing or ending their homelessness by supporting two primary functions: Emergency Response Activities, including emergency shelter operations and services as well as street outreach, and Housing Stability Activities including homelessness prevention and rapid re-housing.

### **Program Components**

Agencies participating in the ESG program and/or receiving ESG funds, are eligible to perform activities under the components outlined below:

#### **Street Outreach**

- Meet the immediate needs of unsheltered homeless people by connecting them with emergency shelter, housing, and/or critical health services.

### **Emergency Shelter**

- Intended to increase the quantity and quality of temporary emergency shelters provided to homeless people by supporting the shelters operating expenses and essential services.

### **Rapid Re-housing**

- Move homeless people individuals and families quickly into permanent housing through rental assistance and housing relocation and stabilization services.

### **Homelessness Prevention**

- Prevent households from becoming homeless through rental assistance, and housing relocation and stabilization services.

### **NC HMIS / Domestic Violence / Victim Service Provider Comparable Database**

- Support ESG Subrecipients participation in HMIS / or DV comparable database collection system. Federal law requires that Domestic Violence / Victim Service Provider agencies use Systems Comparable to HMIS rather than the HMIS used by other homeless agencies.

### **Federal and State Governing Authority**

It is the responsibility of each applicant applying for ESG funding to become familiar with the HUD ESG regulations (Federal register Vol. 76, No. 233, Dated Monday, December 5, 2011). These regulations can be found on the HUD Exchange web site at <https://www.hudexchange.info/resource/1927/hearth-esg-program-and-consolidated-plan-conforming-amendments/>

The North Carolina ESG Program (NC ESG) is administered under the provisions of the HUD regulations at 24 CFR Part 576, as well as the agency's executed grant agreement. Additional resources and links for the Subrecipients to ESG laws, regulations, tools and notices can be found at:

<https://www.hudexchange.info/programs/esg/>

In addition to Federal regulations, applicants must familiarize themselves with the State ESG guidelines including the Desk Guide, RFA and application materials, which can be found at <https://www.ncdhhs.gov/nc-emergency-solutions-grant>

NC ESG has flexibility in certain areas of administering the ESG Program and may establish more detailed requirements than those required by HUD. All Subrecipients are expected to use ESG funds in accordance with the grant regulations contained in 24 CFR Parts 91 and 576 and in compliance with OMB Circular A-200.500 24 CFR 200. Where there are differences, Subrecipients should comply with NC ESG's requirements according to its grant agreement and the ESG Desk Guide.

### **General Grant Requirements**

Any organization applying for ESG funds must be fully operational and able to begin incurring costs by January 1, 2020.

### **Conflict of Interest**

A conflict of interest could arise from a range of factors including our personal relationships, our employment, our membership in special interest groups, or our

ownership of shares, companies, or property. Having a conflict of interest is not unusual and it is not wrongdoing in itself. However, failing to disclose and manage a conflict appropriately is likely to be considered a wrongdoing and therefore, have a negative impact on an organization.

The subrecipient must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the subrecipient may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, the subrecipient may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the subrecipient.

If the subrecipient has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the subrecipient must maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest mean that because of relationships with a parent company, affiliate, or subsidiary organization, the subrecipient is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.

### **HUD Procedure for Individual Conflicts of Interest Conflicts Prohibited**

No persons (as described in persons covered) who exercise or have exercised any functions or responsibilities with respect to ESG activities or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds there under, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter 24 CFR 576.404.

### **Persons Covered**

Conflict of interest provisions applies to any person who is an employee, agent, volunteer, consultant, officer, elected official or appointed official of:

- the State and/or,
- a unit of general local government and/or,
- any designated public agencies representative and/or
- subrecipients receiving ESG funds.

### **Coordinated Entry**

HUD requires (24 CFR 576.400) that all CoC's establish and operate a fully functional Centralized Coordinated Entry system that all ESG funded activities and subrecipients must utilize. This system must serve all homeless and at risk of homeless populations

and subpopulations. All ESG funded organizations are required to follow the Coordinated Entry process adopted by their CoC.

Upon request, ESG funded subrecipients must be able to provide the ESG Office with a report of the referrals received through the Coordinated Entry system adopted by their CoC.

### **Coordination with Other Targeted Homeless Services**

HUD requires (24 CFR 576.400) Subrecipients, to the maximum extent practicable to coordinate and integrate ESG activities with mainstream housing, health, social services, employment, education, and youth programs, as well as programs targeted to homeless people in its service area to provide a strategic, community-wide system to prevent and end homelessness.

### **Data Collection**

HUD requires (24 CFR 575.500(n)) Subrecipients to use a Homeless Management Information System (HMIS), to ensure that all required data elements are collected and required reports are available for review at any time during the program year. Failure to do so may result in suspension of funding or payback of ESG funds.

Agencies that are exempt from the HMIS participation requirement (i.e. Domestic Violence / Victim Service Provider agencies) must meet the same reporting requirements, using a comparable database, that produces electronic reports including, but not limited to, the Consolidated Annual Performance Evaluation Report (CAPER), as well as other data request for all State and Federal reporting and evaluations.

### **Environmental Review**

Per 24 CFR 576.407(d), HUD-assisted projects are required to comply with the National Environmental Policy Act (NEPA) by conducting an environmental review to determine the potential environmental impacts of a project or, if applicable, by documenting its categorical exclusion or exemption from this requirement.

The ESG Office will provide each Subrecipient with an Environmental Review form prior to awarding funds. The Subrecipient must complete and return the form to the ESG Office before the contract can be executed and funds can be awarded. This is the only action the Subrecipient is required to take in order to be in compliance with the Environmental Review requirement.

### **Violence Against Women Reauthorization Act of 2013 (“VAWA”)**

On November 16, 2016 the U.S. Department of Housing and Urban Development published the Violence Against Women Act (VAWA) final rule regarding housing protections for victims of domestic violence, dating violence, sexual assault, or stalking (Federal Register Document #2016-25888). This final rule prohibits an applicant for assistance or tenant assisted with ESG from being denied assistance under, denied admission to, terminated from participation in, or evicted from housing on the basis or as a direct result of the fact that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault or stalking, so long as the applicant otherwise qualifies for admission, assistance, participation or occupation (24 CFR 5.2005 (b)(1)).

In addition, the VAWA Final Rule requires that each housing provider produce a detailed emergency transfer plan, which ensures that a tenant receiving rental assistance through or residing in a unit subsidized under an ESG housing program who is a victim of domestic violence, dating violence, sexual assault, or stalking qualifies for an emergency transfer within the criteria stated in 24 CFR 5.2005 (e)(2). All ESG housing providers must maintain records on emergency transfers requested under 24 CFR 5.2005(e). Data must include the outcomes of each request and must be provided to the NC ESG Office upon request.

### Limited English Proficiency/Language Access Plan

All programs and operations of entities that receive financial assistance from the federal government, including but not limited to state agencies, local agencies and for-profit and non-profit entities, must comply with the Title VI requirements. A listing of most, but not necessarily all, HUD programs that are federally assisted may be found at the "List of Federally Assisted Programs" published in the Federal Register on November 24, 2004 (69 FR 68700).

Federally assisted recipients are required to make reasonable efforts to provide language assistance to ensure meaningful access for LEP persons to the recipient's programs and activities.

### ESG Program Contacts

Below are the ESG contacts. Please direct all questions, concerns, updates, and submission of documents to the ESG Homeless Programs Coordinators, except for requisition requests. Requisition requests must be submitted electronically to the ESG email (NC ESG@dhhs.nc.gov).

<p><b>Kim Crawford</b>          NC ESG Homeless Programs          Coordinator Division of Aging and          Adult Services North Carolina          Department of Health and Human          Services          919-855-4991 office  <a href="mailto:Kim.Crawford@dhhs.nc.gov">Kim.Crawford@dhhs.nc.gov</a>          2101 Mail Service Center Raleigh,          NC 27699-2101</p>	<p><b>Chris Battle</b>          NC ESG Homeless Programs          Coordinator Division of Aging and          Adult Services North Carolina          Department of Health and Human          Services          919-855-4984 office  <a href="mailto:Chris.Battle@dhhs.nc.gov">Chris.Battle@dhhs.nc.gov</a>          2101 Mail Service Center Raleigh,          NC 27699-2101</p>	<p><b>Lisa Worth</b>          NC ESG Homeless Programs          Coordinator Division of Aging and          Adult Services North Carolina          Department of Health and Human          Services          919-855-4993 office  <a href="mailto:Lisa.Worth@dhhs.nc.gov">Lisa.Worth@dhhs.nc.gov</a>          2101 Mail Service Center Raleigh,          NC 27699-2101</p>
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### ESG Estimated Timeline

<b>July 16, 2019</b>	Public Notice Release
<b>August 13 – 15, 2019</b>	RFA Instructional Trainings
<b>October 11, 2019</b>	All Applications Due
<b>October 14 - November 15, 2019</b>	NC ESG Application Review
<b>November 25, 2019</b>	Funding Decisions Announced
<b>December 6, 2019</b>	Agency's intent to appeal Due
<b>December 13, 2019</b>	Appeals & Special Consideration Materials Due
<b>January 3, 2019</b>	Appeal Responses
<b>January 3, 2019</b>	Contracts Sent Out

## Eligible Applicants

The NC ESG Office will accept one regional application per CoC/LPA. Project applications that are not recommended for funding in the regional application will not be reviewed. CoCs/LPAs will recommend nonprofit and/or local government organizations to be subrecipients of ESG funds.

Once approved, these recommended organizations will contract directly with the State or subcontract with the region's Fiscal Sponsor.

### Eligible Subrecipients

The following are eligible sub-recipients for ESG funding:

1. Units of general local government, including metropolitan entitlement communities that receive direct ESG allocations from HUD
2. Private 501 (c) 3 designated nonprofit organizations.

**Note:** Public Housing Authorities (PHAs) or non-profits established by PHAs are not eligible sub-recipients of NC ESG funds.

Applications for funding will not be accepted from local governments or nonprofit organizations separately from the Regional Application.

## Eligible Activities

There are four (4) categories of eligible activities. For additional information and details on eligible expenses, please refer to the ESG Desk Guide, which can be found on the DHHS webpage <https://www.ncdhhs.gov/nc-emergency-solutions-grant> or the HUD Exchange <https://www.hudexchange.info/programs/esg/>

### 1 - Emergency Response

- Street Outreach
- Emergency Shelter (Operations and Services)

### 2 - Housing Stabilization

- Targeted Homelessness Prevention
- Rapid Rehousing

### 3 – HMIS / DV Comparable Database

### 4 – Administration

- **Only fiscal sponsors and local units of governments**



## **Section II. Funding**

### **Available Funding**

The State can allocate up to **\$4,853,418** in response to this Request for Applications (RFA).

### **Funding Priorities**

#### **Emergency Response**

- Supporting the Housing First model and low-barrier shelters that prioritizes rapid placement and stabilization in permanent housing.
- Use of emergency shelter funds to support facilities linked to rapid rehousing programs.

#### **Housing Stabilization**

- Supporting the Housing First model that prioritizes rapid placement and stabilization in permanent housing.
- Rapid Rehousing Services and Rapid Rehousing Financial Assistance should be linked to an emergency shelter or street outreach program to ensure coordination/prioritization of clients in obtaining and maintaining permanent housing.

## Section III. Applications

### Regional Application

- The State will accept one regional application from each CoC/LPA.
- CoCs/LPAs will recommend nonprofit and/or local government organizations to be subrecipients of ESG funds.
- Once approved, these recommended organizations will contract directly with DAAS or, if applicable, subcontract with the CoCs/LPAs Fiscal Sponsor.

The CoC/LPA must create and implement a fair local decision-making process for the distribution of funds that minimizes conflict of interest. The CoC/LPA is responsible for the Regional Application, including coordination and vetting of all project applicants. During this process, CoCs/LPAs should consider:

- **Capacity:** Does the agency have paid staff members with the capacity to administer an ESG activity? i.e. Executive Director, Case Manager, etc.
- **Financial Stability:** Does the agency have operating funds to pay eligible expenses and request reimbursement from the NC ESG Program 45 days after the last day of the billing month?
- **Expenditure History:** Does the agency have a history of timely, accurate, and appropriate spend down rates?
- **Data Collection:** Does the proposed agency utilize HMIS or a comparable database (for DV organizations)?

Key elements the CoC/LPA should look for during the vetting process:

- **Coordinated Entry:** Does the agency actively participate in the coordinated entry process providing access to all demographic groups?
- **Written Standards:** Does the agency follow the written standards established by the CoC/LPA and promote the CoC/LPA's priorities and goals?
- **Planning/Coordination:** Has the agency participated in at least 75 percent of the community meetings contributing to the homeless discussion?
- **Housing First:** Is the agency committed to operating under a housing first model?
- **Low Barrier:** Is the agency committed to operating under a low barrier model?
- **VAWA:** Is the agency an active participant in the CoC/LPA's established VAWA process?

**Applications will only be accepted from CoCs/LPAs. The State will not accept applications directly from nonprofit or local government organizations.**

### **Project Application**

- Organizations interested in being recommended for ESG funding, must apply through the CoC/LPA. **See map in Appendix 4** for CoC/LPA contact information.
- The State will not accept applications directly from organizations.

### **Fiscal Sponsor Application**

- The State **does not require that CoCs/LPAs have a Fiscal Sponsor**. The State will approve a Fiscal Sponsor based on established financial capacity and oversight standards.
- If a Fiscal Sponsor is chosen, it will serve the CoC/LPA or multiple CoCs/LPAs and funded projects within the CoC/LPA. The Fiscal Sponsor must be a unit of local government or 501(c) 3 non-profit.

Fiscal Sponsors must:

- Demonstrate financial solvency and resilience **and**
- Demonstrate sound fiscal management **and**
- Have demonstrated history of ability to meet Tier 1 spending if previously funded with State ESG

### **Application Budgets**

Funds will be awarded to applicants based on the HUD CoC pro-rata formula, as explained in the NC ESG Fair Share Explainer **Appendix 1**

Regional Budgets:

- **Emergency Response Activities: Emergency Shelter and Street Outreach**  
A maximum of 60% of total funds available per CoC/LPA can be spent on emergency response activities.
- **Housing Stabilization Activities: Rapid Rehousing and Homeless Prevention**  
A minimum of 40% of total funds available per CoC/LPA must be spent on housing stabilization activities.
- CoCs/LPAs must ensure that recommended projects meet the maximum and minimum allocation requirements.

Project Budgets:

- Applicants that request Emergency Response funds may allocate all dollars for Emergency Shelter Operations or allocate no less than 60% of the funding for Shelter Operations and no more than 40% for Shelter Services.

- Applicants that request Housing Stabilization funds may allocate all dollars for Financial Assistance or no less than 60% for Financial Assistance and no more than 40% for services.

### Submission Guidelines

Application packets in response to the RFA must be received in the ESG Office (NOT Postmarked) by **5:00pm on Friday, October 11, 2019**. All regional submission packets received by this deadline will be reviewed. Late and/or incomplete submissions will not be reviewed.

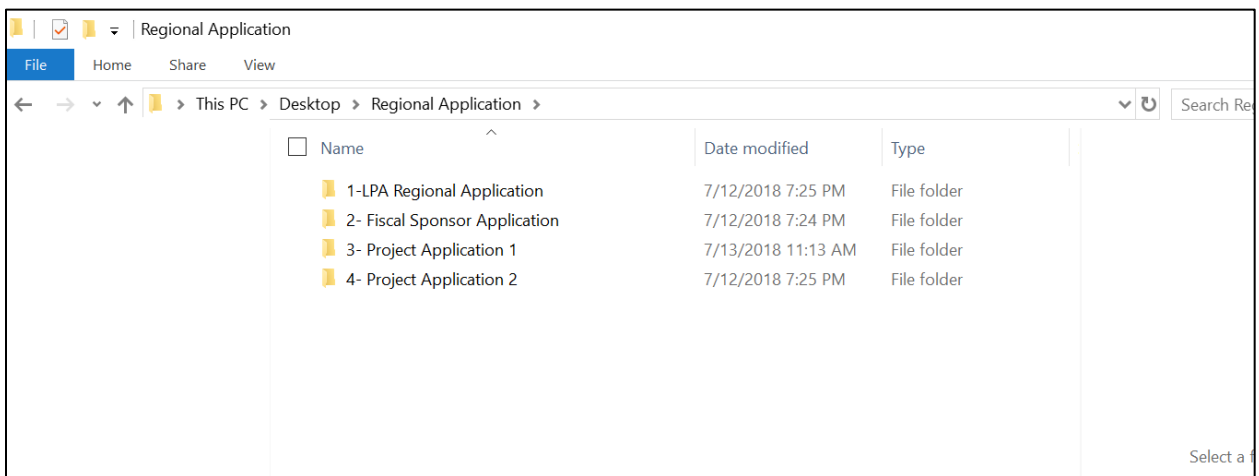
Please note that each CoC/LPA should submit the following in 3-ring binder(s) **no larger than 2 inches each tabbed according to the corresponding application checklist:**

- One Regional Application
- One Fiscal Sponsor Application (if applicable)
- One Project Application for each of the organizations recommended for funding **AND**
- One soft (electronic) copy on a flash drive of the complete application.
  - Write the CoC/LPA name on the flash drive

The following will not be accepted:

- Sheet protectors on pages or used as tabs
- Sticky notes used as tabs
- Blank sheets of paper without tabs, or used as tabs
- Project and regional budgets in PDF format (must be submitted in excel)

### Main Folders on Flash Drive



## Regional Application Sub-Folders

Name	Date modified	Type	Size
<input checked="" type="checkbox"/> Regional Application Attachments	6/24/2019 9:45 AM	File folder	
<input type="checkbox"/> 1 - Regional Application	6/24/2019 9:46 AM	Microsoft Word Doc...	
<input type="checkbox"/> 2 - Regional Application Budget	6/24/2019 9:46 AM	Microsoft Excel Work...	

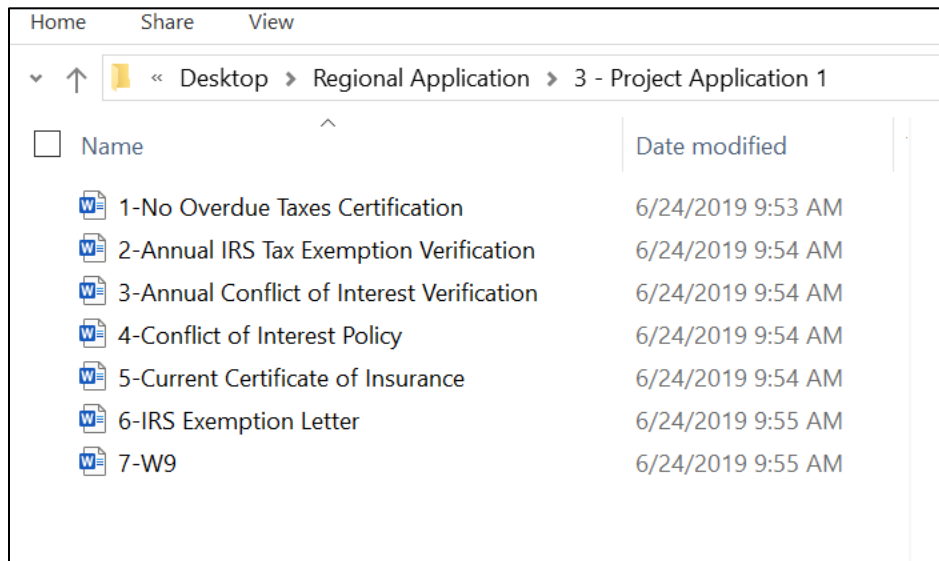
## Fiscal Sponsor Sub-Folders

Name	Date modified	Type
<input type="checkbox"/> Fiscal Sponsor Attachments	6/24/2019 9:50 AM	File folder
<input type="checkbox"/> 1-Fiscal Sponsor Application	6/24/2019 9:50 AM	Microsoft Word Doc...

## Project Application's Sub-Folders

Name	Date modified	Type
<input type="checkbox"/> Attachments	7/9/2018 11:22 AM	File folder
<input type="checkbox"/> State Certifications	7/9/2018 11:22 AM	File folder
<input type="checkbox"/> Project 1 Application	7/9/2018 11:20 AM	Microsoft Wor
<input type="checkbox"/> Project 1 Budget	7/9/2018 11:21 AM	Microsoft Exce

## Project Application State Certifications Folder



Name	Date modified
1-No Overdue Taxes Certification	6/24/2019 9:53 AM
2-Annual IRS Tax Exemption Verification	6/24/2019 9:54 AM
3-Annual Conflict of Interest Verification	6/24/2019 9:54 AM
4-Conflict of Interest Policy	6/24/2019 9:54 AM
5-Current Certificate of Insurance	6/24/2019 9:54 AM
6-IRS Exemption Letter	6/24/2019 9:55 AM
7-W9	6/24/2019 9:55 AM

**Submissions must be received, not postmarked, by the ESG Office by 5 PM EST on October 11, 2019.**

**If using US Postal Services, mail ESG application and supporting documents to:**

ESG Homeless Program Coordinators  
DHHS-DAAS-ESG  
2101 Mail Service Center  
Raleigh, NC 27699-2101

**If using Courier services (such as UPS, Federal Express, etc.) or Hand Delivery:**

ESG Homeless Programs Coordinators  
DHHS-DAAS-ESG  
918 Tate Dr  
Raleigh, NC 27603

In the process of administering this program, DHHS will make decisions and interpretations regarding regional and project applications. DHHS is entitled to the full discretion allowed by law in making all such decisions and interpretations. DHHS reserves the right to request additional information from any applicant. DHHS reserves the right to reject any and all applications received. DHHS reserves the right to amend, modify, or withdraw provisions contained in this application that are inconsistent or in conflict with state or federal laws or regulations. All applications for ESG funding become the property of DHHS.

## Section IV. Application Review and Award Notification

The State retains the right to reject or modify proposals that do not meet threshold criteria, negotiate program features, terms and funding amounts and the right to recapture funds and reallocate if a recipient is unable to meet ESG program requirements and performance standards.

### Process for Evaluating Recommended Project Applications

CoCs/LPAs are expected to closely review information provided in each project application. Deficient project applications prolong the review process for the ESG Office, which results in delayed funding announcements, lost funding for CoCs, LPAs, projects, and delays in funds to house and assist individuals and families experiencing homelessness.

The NC ESG Office puts each submission through a robust vetting process. During this process, the NC ESG Office takes into consideration:

- **The CoC's/LPA's Review:** How did the CoC/LPA review applications? Was the process fair and transparent? Are the applications recommended for funding able to start January 1st, 2020?
- **Performance Measures:** Has the recommended agency met the performance measures outlined in the current year contract?
- **Program Standards:** Do the agency's ESG program standards comply with and meet the requirements of the ESG program?
- **Expenditure History:** Are the agency's expenditures timely, accurate, and appropriate for the funding level received.

Organizations not previously funded with ESG must acknowledge review and understanding of the performance measures and expenditure requirements prior to being awarded funds.

During this process, the ESG Office also focuses on:

- **Submission Order:** Submit applications in the order requested with **only the documentation requested.**
- **Demonstrated Connections:** Show connections between emergency response and housing stabilization programs.
- **Data Questions:** Ensure the data provided from HMIS or comparable database is accurate and answers the question.
- **Check for Signatures:** Make sure where signatures are required, the proper individual has signed.

The State will also evaluate applications based on demonstrated ability to meet and comply with HUD, ESG, and North Carolina policy and guidelines. The application

evaluation is broken down into a multi-step process, reviewed by a 3-person independent review committee.

1. Application Sections 1-15 Returning Applicants (Max score 140 points / minimum passing 100 points)  
Application Sections 1-15 New Applicants (Max Score 140 points / minimum passing 110 points)
2. Application Activities Returning Applicants (Max score per activity 30 points / minimum passing score 20)  
Application Activities New Applicants (Max score per activity 30 points / minimum passing score 22)
  - Rapid Rehousing, Emergency Shelter, Homeless Prevention, Street Outreach, and HMIS
3. Contract Performance Measures Returning Applicants Only (returning / renewing applicants only. Max score 30 points / minimum passing score 20)
  - Performance Measure #2 (Desk Monitoring – financial and client file)
  - Performance Measure #3 (QPR)
  - Performance Measure #4 & #5 (Requisition submissions)

Passing score in all three steps above, moves applicant to Award determination.

4. Award determination:  $\text{\$\$ request} \times \text{Tier status} = \text{award amount}$ .
  - Tier 1 =  $\text{\$\$ request} \times 100\%$
  - Tier 2 =  $\text{\$\$ request} \times 80\%$
  - Tier 3 =  $\text{\$\$ requested} \times 50\%$

Returning or Previously funded organizations Exception:

- Returning or Previously funded organizations who do have Application Section scores 70-99, will have an opportunity to achieve a passing score through the “special considerations” process. Should the applicant achieve a “passing” score after submitting the requested info / docs, the ESG Office will consider funding at the Tier 2 Funding level.
- Returning or Previously funded organizations who do have Activity scores 15-19, will have an opportunity to achieve a passing score through the “special considerations” process. Should the applicant achieve a “passing” score after submitting the requested info / docs, the ESG Office will consider funding at the Tier 2 Funding level.

The State retains the right to reject or modify proposals that do not meet threshold criteria, negotiate program features, terms and funding amounts and the right to recapture funds and reallocate if a recipient is unable to meet ESG program requirements and performance standards.

### **Award Notification**

If funded, the Award Notification Letter will contain the proposed award amount along with “requirements / special considerations” to submit to the ESG Office no later than Dec 13th, 12 noon. Once received and accepted by the ESG Office, grant awards will be



finalized. Funded organizations will be notified directly. Respective CoCs/LPAs will be notified once collective funding decisions have been made.

### **Appeals Process**

**CoCs/LPAs are expected to closely review information provided in each project application. Deficient project applications prolong the review process for the ESG Office, which results in delayed funding announcements, lost funding for CoCs, LPAs, projects, and delays in funds to house and assist individuals and families experiencing homelessness.**

Any organization may appeal an RFA funding reduction or denial of funding decision to the NC ESG Office. Appeals must be filed on or before 5 PM Friday December 6, 2019. The appeal must specifically address the items outlined in the NC ESG Award Notification Letter. The NC ESG Office will respond to within thirty (30) days from receipt of the appeal.

The appeal must be in writing on the organization's letter head, signed by the contract signing authority and addressed to Mr. Joseph Breen:

Mr. Joseph M. Breen, MS  
Section Chief  
Division of Aging and Adult Services, Planning, ESG and Service Support Section  
NC Department of Health and Human Services  
693 Palmer Drive-Taylor Building  
2101 Mail Service Center  
Raleigh, NC 27699-2101

If the applicant organization is not satisfied with the outcome of its appeal further steps in the appeal process will be provided to the applicant in writing.

# Section V. Appendix

# Appendix 1: NC ESG Fair Share Explainer

## **Anticipated Timeline**

The FY19-20 NC ESG Program application is projected to be released in July 2019, with an anticipated due date of Friday, October 11th. Award decisions will be announced in mid-November. New contracts with project applicants or fiscal sponsors will be executed by January 1, 2020. Contracts will be effective January 1 – December 31, 2020.

## **Continuum of Care Applications**

Project applicants must apply through their Continuum of Care or Local Planning Area. Continuum of Care / Local Planning Areas are responsible for completing the regional application and holding a local competitive process to determine which projects will be submitted to the ESG office for funding.

The 2019-20 Continuums of Care Areas are:

- NC-500 Forsyth
- NC-501 Buncombe
- NC-502 Durham
- NC-503 Balance of State Region 1
- NC-503 Balance of State Region 2
- NC-503 Balance of State Region 3
- NC-503 Balance of State Region 4
- NC-503 Balance of State Region 5
- NC-503 Balance of State Region 6
- NC-503 Balance of State Region 7
- NC-503 Balance of State Region 8
- NC-503 Balance of State Region 9
- NC-503 Balance of State Region 10
- NC-503 Balance of State Region 11
- NC-503 Balance of State Region 12
- NC-503 Balance of State Region 13
- NC-504 Guilford
- NC-505 Mecklenburg
- NC-506 Tri-Hic (Brunswick/New Hanover/Pender)
- NC-507 Wake
- NC-509 Gaston/Lincoln/Cleveland
- NC-511 Cumberland
- NC-513 Orange
- NC-516 Northwest

## **Available Funding**

The U.S. Department of Housing and Urban Development allocated \$5,201,091 to the NC State ESG Program. A portion, 7.5% or \$347,673 is for admin costs incurred by the State or subrecipients that are units of local government. The remaining funds, \$4,853,418 will be

distributed to subrecipients for program costs. The amount that each Continuum of Care / Local Planning Area is eligible to apply for is the “NC ESG Fair Share”.

No more than 60% of funds can be used for Emergency Response Services (Street Outreach and Emergency Shelter). While there is a maximum percent for Emergency Services, there is no maximum for Housing Stability (Rapid Re-Housing, HMIS, and Targeted Prevention). This means a Continuum of Care / Local Planning Area may choose to apply for the full 60% of Emergency Response funding or use some of that funding for Housing Stability Activities. The chart below shows the funding that each Continuum of Care / Local Planning Area may apply for during the FY19-20 competition.

Continuum of Care		NC ESG Fair Share	Emergency Services (60% maximum)	Housing Stability (40% minimum)
NC-500	Forsyth	\$ 208,687	\$ 125,212.00	\$ 83,475.00
NC-501	Buncombe	\$ 125,971	\$ 75,583.00	\$ 50,388.00
NC-502	Durham	\$ 169,278	\$ 101,567.00	\$ 67,711.00
NC-503-R1	BoS Region 1	\$ 124,850	\$ 74,910.00	\$ 49,940.00
NC-503-R2	Bos Region 2	\$ 116,741	\$ 70,045.00	\$ 46,696.00
NC-503-R3	BoS Region 3	\$ 189,248	\$ 113,549.00	\$ 75,699.00
NC-503-R4	BoS Region 4	\$ 167,119	\$ 100,271.00	\$ 66,848.00
NC-503-R5	BoS Region 5	\$ 299,827	\$ 179,896.00	\$ 119,931.00
NC-503-R6	BoS Region 6	\$ 196,642	\$ 117,985.00	\$ 78,657.00
NC-503-R7	BoS Region 7	\$ 361,130	\$ 216,678.00	\$ 144,452.00
NC-503-R8	BoS Region 8	\$ 166,920	\$ 100,152.00	\$ 66,768.00
NC-503-R9	BoS Region 9	\$ 227,852	\$ 136,711.00	\$ 91,141.00
NC-503-R10	BoS Region 10	\$ 232,568	\$ 139,541.00	\$ 93,027.00
NC-503-R11	BoS Region 11	\$ 107,727	\$ 64,636.00	\$ 43,091.00
NC-503-R12	BoS Region 12	\$ 149,911	\$ 89,947.00	\$ 59,964.00
NC-503-R13	BoS Region 13	\$ 147,032	\$ 88,219.00	\$ 58,813.00
NC-504	Guilford	\$ 271,934	\$ 163,160.00	\$ 108,774.00
NC-505	Mecklenburg	\$ 497,399	\$ 298,439.00	\$ 198,960.00
NC-506	Tri-Hic	\$ 161,275	\$ 96,765.00	\$ 64,510.00
NC-507	Wake	\$ 393,993	\$ 236,396.00	\$ 157,597.00
NC-509	Gaston-Lincoln-Cleveland	\$ 186,259	\$ 111,755.00	\$ 74,504.00
NC-511	Cumberland	\$ 129,034	\$ 77,420.00	\$ 51,614.00
NC-513	Orange	\$ 100,000	\$ 60,000.00	\$ 40,000.00
NC-516	Northwest	\$ 122,021	\$ 73,213.00	\$ 48,808.00

### **Calculation of Distribution of Funds**

To establish a fair distribution of program funds, the NC ESG Program uses the Department of Housing and Urban Development's (HUD) Continuum of Care (CoC) Pro Rata Formula as the basis for determining the amount of eligible funding for each Continuum of Care. Six entitlement communities receive ESG funding directly from HUD. The chart below shows the allocations from HUD for the six entitlements and the NC ESG Program (funds allocated to the state).

Grantee	FY19 HUD Allocation	Admin	Program
Charlotte	\$ 507,237.00	\$ 38,042.78	\$ 469,194.23
Durham	\$ 169,200.00	\$ 12,690.00	\$ 156,510.00
Greensboro	\$ 183,371.00	\$ 13,752.83	\$ 169,618.18
Raleigh	\$ 272,027.00	\$ 20,402.03	\$ 251,624.98
Wake	\$ 161,478.00	\$ 12,110.85	\$ 149,367.15
Winston-Salem	\$ 187,896.00	\$ 14,092.20	\$ 173,803.80
NC State ESG	\$ 201,091.00	\$ 347,673.83	\$ 4,853,418.18
Total NC ESG	\$ 6,682,300.00	\$ 501,172.50	\$ 6,181,127.50

The allocation that these entitlements receive from HUD are considered when determining each Continuum of Care's eligible amount. The CoC Pro Rata percentage is multiplied by the total amount of ESG funds allocated to North Carolina (NC State ESG + entitlements). This is the total amount that each Continuum of Care should have as its fair share of ESG funding. The allocation each CoC / LPA receives *is the larger* of the Pro Rata percentage multiplied by the total amount of ESG funds allocated or \$100,000.

For communities that do not receive entitlement funding from HUD, the full amount will come from the NC ESG Program. For entitlement communities, the amount received directly from HUD will be subtracted from their fair share, so only a portion of the fair share is awarded through the NC ESG Program. The chart below shows the total fair share for each entitlement community with the amount of program funding administered by the local government and the NC ESG Program.

Continuum of Care		ESG Fair Share Total (entitlement + state)	ESG Entitlement	NC ESG Fair Share
NC-500	Forsyth	\$ 382,490	\$ 173,803	\$ 208,687
NC-502	Durham	\$ 325,788	\$ 156,510	\$ 169,278
NC-504	Guilford	\$ 441,552	\$ 169,618	\$ 271,934
NC-505	Mecklenburg	\$ 966,593	\$ 469,194	\$ 497,399
NC-507	Wake	\$ 794,985	\$ 400,992	\$ 393,993

\*NC-507 Wake has two entitlement funds administered separately by the City of Raleigh and Wake County. These funds have been combined in the chart.

## Appendix 2: Definitions

Administration -The federally approved planning and grant execution of ESG activities:

- General management, oversight, and coordination
- Training on ESG requirements
- Consolidated Plan

Activities - Actions by sub-recipients using ESG dollars or match dollars to serve persons who are homeless or at risk of becoming homeless. ESG funds and match funds can only be used for activities deemed eligible by the State and HUD. Activities that are ineligible for ESG funds must be paid with other non-ESG sources.

Area Median Income (AMI) – The midpoint of a region's income distribution – half of families in a region earn more than the median and half earn less than the median Information on a community's AMI can be found at: <https://www.huduser.gov/portal/datasets/il.html>

Continuum of Care (CoC) – The regional or local planning body that coordinates housing and services funding for homeless families and individuals in the specific geographic area, designated by HUD, within North Carolina. . The CoC is responsible for applying, on behalf of the community for ESG funds. The 13 Balance of State CoC Regional Committees (LPAs) are responsible for applying on behalf of the community for ESG funds.

Emergency Response Activities - Street outreach and emergency shelter activities.

Emergency Shelter – Any facility, the primary purpose of which is to provide a temporary shelter for those experiencing homelessness, which does not require occupants to sign leases or occupancy agreements.

ESG Entitlement Communities - Communities that receive ESG funds directly from HUD. In North Carolina, there are 6 ESG entitlement communities for Federal FY19 funds: Charlotte, Durham, Greensboro, Raleigh, Wake, and Winston-Salem.

ESG Match - The dollar for dollar match required by the ESG grant. This match may be achieved through other non-ESG funds (cash), in-kind services, or a combination of the two. Match dollars must be spent on eligible ESG activities. (not applicable in 2019-2020)

Fiscal Sponsor - A unit of local government or 501(c)3 non-profit chosen by the region and approved by the State that will perform, but not be limited to the following tasks on behalf of the LPA:

- contract with the State
- sub-contract with any other agencies receiving funds within its region
- reimburse agencies
- submit reimbursement requests to the State
- act as the central point of contact for all reporting requirements
- required to monitor sub-recipients
- **CoCs/LPAs are not required to have a fiscal sponsor and no additional points or funds will be provided to CoCs/LPAs that select a fiscal sponsor.**

Grantee- The State of North Carolina, which receives ESG funds from HUD through the North Carolina Department of Commerce.

Homeless Management Information System (HMIS) - The information system required by HUD to track data about homeless households and the agencies that serve them. .

HMIS Comparable Database- An information management system that contains the same client and program data elements that are contained in the HMIS. Federal law requires that Domestic Violence agencies use Systems Comparable to HMIS rather than the HMIS used by other homeless agencies. **Please note that all domestic violence providers funded by the FY 2019 - 2020 NC ESG Program must have a comparable database that produces electronic reports including the Consolidated Annual Performance Report (CAPER)**

Housing First- A model of housing assistance that prioritizes rapid placement and stabilization in permanent housing that does not have service participation requirements or preconditions (such as sobriety or a minimum income threshold).

Housing Stability Activities - Rapid Rehousing and Targeted Homelessness Prevention activities,

Local Planning Area (LPA) – The Balance of State Regional Committees within a set geographic boundary organized to plan for and provide a system of strategies to address the various needs of those experiencing homelessness and persons at risk of homelessness.

Overhead Costs - For the purpose of this program overhead costs directly related to carrying out eligible services and operating activities (street outreach, HMIS, and housing stabilization) are considered program costs, not administration costs, subject to cost principles in OMB Circulars A-87 (2 CFR 225) and A-122 (2 CFR 230). These costs are not subject to the administrative cap, however are limited to 15% of a sub-recipient's total grant award.

Program Participant – Eligible families and individuals served by the ESG-funded programs.

Rapid Rehousing– A program designed to assist homeless households to obtain and maintain permanent housing through the provision of housing relocation, stabilization services, and rental assistance. Assistance is tailored to household needs and focuses on moving the household as quickly as possible into permanent housing and supporting housing stability.

Shelter Operations - Maintenance, rent, security, fuel, equipment, insurance, utilities as well as purchase of food, furnishings, and supplies necessary for the day to day operation of an emergency shelter. For the purpose of this grant maintenance, equipment, furnishings and supplies are items valued less than \$500 per item.

Street Outreach - Essential services necessary to engage unsheltered homeless people, connecting them with emergency shelter, housing, and/or critical services.

Sub-Recipient – An eligible entity that the State contracts with to carry out eligible ESG activities.

Targeted Homeless Prevention – Prevention programs that are designed to prevent homelessness among households that are *the most likely* to become homeless.

## HUD Homeless Definitions

The following chart summarizes the homeless definitions; the complete homeless definitions can be found at 24 CFR 576.2.

<p>Literally Homeless (Category 1)</p>	<p>Individual or family who lacks a fixed, regular, and adequate nighttime residence:</p> <ul style="list-style-type: none"> <li>• Has a primary nighttime residence that is a public or private place not meant for human habitation;</li> <li>• Is living in a publicly or privately-operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, hotels/motels paid for by charitable organizations or federal, state, and local government programs; or</li> <li>• Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution</li> </ul>
<p>Imminent Risk of Homelessness (Category 2)</p>	<p>Individual or family who will imminently lose their primary residence, provided that:</p> <ul style="list-style-type: none"> <li>• Residence will be lost within 14 days of the date of application for homeless assistance;</li> <li>• No subsequent residence has been identified; and</li> <li>• Lacks resources or support networks needed to obtain other permanent housing</li> </ul>
<p>Homeless Under Other Federal Statutes (Category 3)</p>	<p>Unaccompanied youth under age 25, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:</p> <ul style="list-style-type: none"> <li>• Are defined as homeless under other listed federal statutes;</li> <li>• Have not had a lease, ownership, or occupancy agreement in permanent housing during the 60 days prior to the date of homeless assistance application;</li> <li>• Have moved two or more times in the preceding 60 days; and</li> <li>• Can be expected to continue in such status for an extended period of time due to special needs or barriers</li> </ul>
<p>Fleeing/Attempting to Flee Domestic Violence (Category 4)</p>	<p>Individual or family who:</p> <ul style="list-style-type: none"> <li>• Is fleeing/attempting to flee Domestic Violence / Victim Service Provider;</li> <li>• Has no other residence; and</li> <li>• Lacks resources or support networks needed to obtain other permanent housing</li> </ul>



## Appendix 3: ESG Resources

The HUD [ESG resources page](#) is the central hub for all ESG information, where you can access ESG-applicable laws, regulations, and notices, plus ESG Program guides, tools, and webinars. These are all excellent resources to help staff learn or better understand the program.

### Key Concepts and Requirements

- [Eligible Activities for ESG Rapid Re-Housing and Homelessness Prevention Components](#)
- [Eligible Participants for ESG Rapid Re-Housing and Homelessness Prevention Components](#)
- [Requirements for Rental Assistance Agreements and Leases Under ESG](#)
- [ESG Requirements for Case Management to Help Ensure Housing Stability: Rapid Re-Housing and Homelessness Prevention Assistance](#)
- [Assigning Essential Services to the Appropriate Program Component](#)
- [Emergency Shelters: Distinguishing Between Renovation/Conversion and Maintenance Activities](#)
- [Using Contractors in the ESG and CoC Programs](#)
  
- [ESG Minimum Habitability Standards for Emergency Shelters and Permanent Housing](#)
- [ESG Rent Reasonableness and Fair Market Rent](#)
- [Applicable Requirements for Rental Assistance and Housing Relocation and Stabilization Services Matrix](#)

### Eligibility and Documentation

Understanding the *homeless* and *at risk of homelessness* definitions can be challenging for some communities – especially when it comes to determining and documenting eligibility for ESG rapid re-housing and homelessness prevention assistance. It is critical that recipients and subrecipients are evaluating individuals and families for assistance correctly – not only for compliance purposes but also to ensure that ESG funds are being used to serve those most in need of assistance. The following materials can help providers correctly determine and document program participant eligibility:

- [At Risk Status and Income: Recordkeeping Requirements Webinar for ESG Grantees](#)
- [Homeless Status: Recordkeeping Requirements Webinar](#)
- [Determining Homeless and At-Risk Status, Income and Disability Webinar](#)
- [The Homeless Definition and Eligibility for SHP, SPC, and ESG](#)
- [Criteria and Recordkeeping Requirements for Definition of Homelessness](#)
- [Criteria for Definition of At Risk of Homelessness](#)
- [SNAPS-Shot: Eligible Participants for ESG Rapid Re-Housing and Homelessness Prevention Components](#)
- [Homeless Emergency Assistance and Rapid Transition to Housing \(HEARTH\): Defining "Chronically Homeless" Final Rule](#)
- [SNAPS In Focus: Final Rule on Defining "Chronically Homeless" Part II: Policy and Practical Implications of the New Definition](#)

## Data Collection, Reporting, & Planning

There are multiple data collection and reporting systems that are relevant for ESG recipients and subrecipients, including the Homeless Management Information System (HMIS), and the Sage HMIS Reporting Repository (Sage). The following materials can help recipients and subrecipients understand these various data collection and reporting system requirements:

### HMIS

- [ESG Program HMIS Manual](#)
- [CoC APR and ESG CAPER HMIS Programming Specifications](#)

### Sage

- [Sage ESG CAPER Guidebook for ESG-funded Programs](#)
- [ESG CAPER: Sage HMIS Reporting Repository Template](#)
- [Sage Guidance for ESG Recipients Webinar](#)
- [Sage Guidance for ESG Subrecipients Webinar](#)

### Important Cross-Cutting Concepts

Some cross-cutting programmatic practices are required by the ESG regulations, such as consultation with Continuums of Care (CoCs) and participation in coordinated entry. HUD strongly encourages recipients and subrecipients to adopt other key program elements, such as emphasizing rapid re-housing, implementing a low-barrier approach to emergency shelter, and using a Housing First model. While not all are ESG Program-specific, the following resources can assist recipients and subrecipients to understand and incorporate these important practices into their communities' efforts to end homelessness:

- [SNAPS In Focus: Rapid Re-Housing As a Model and Best Practice](#)
- [HUD and USICH: Core Principles of Housing First and Rapid Re-Housing Webinar](#)
- [Coordinated Entry Policy Brief](#)
- [Coordinated Entry Requirements and Checklist of Essential Elements](#)
- [SNAPS In Focus: Improving our Crisis Response System](#)
- [Coordination and Collaboration for CoCs and Con Plan Jurisdictions Guide and Video](#)
- [Emergency Solutions Grants State Recipient Consultation with Continuums of Care](#)
- [FY 2016 CoC-Con Plan Jurisdiction and ESG Recipient Crosswalk](#)
- [Disaster Recovery Homelessness Toolkit](#)
- [Disease Risks and Homelessness](#)

### ESG FAQs

Through the publication of Frequently Asked Questions (FAQs), HUD offers clarifying information and guidance that may not be stated as explicitly elsewhere. All ESG Program FAQs are available on the [ESG Program FAQs](#) page.

# Appendix 4: NC CoC Contact Information Map

## North Carolina Continuums of Care (CoCs)

